

Date of Deposit: March 2, 2007

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Signature: Pat W. Medina

PATENT  
Docket No. P1395

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE**

APPLICANT: Zhang Shao Wei, et al.

SERIAL NO. 10/033,713

EXAMINER: R. A. Hylton

FILED: December 27, 2001

ART UNIT: 3727

FOR: METHOD AND SYSTEM OF FLEXIBLE PACKAGING FOR  
CONTAINMENT OF LIQUID AND GASEOUS FLUIDS

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Mail Stop Amendment  
Commissioner for Patents  
P.O. Box 1450  
Alexandria, VA 22313-1450

**DECLARATION**

Dear Sir:

I, Jeffery K. Slaboden, declare as follows:

1. I am the Vice President of Smith & Vandiver, Corporation, ("S&V") the assignee of the subject matter of the above-identified patent application.

2. In December, 2001, S&V acquired the United States patent rights to the subject matter contained within the above-identified patent application from Double Body Co., Ltd.
3. The subject matter contained within the above-identified patent application describes a flexible container having a flexible closure or valve having a stopper attached thereto. The flexible container is made of two flexible members forming a chamber therebetween for containing liquid cleanser. Due to the flexible nature of the container, liquid cleanser can be repetitively filled and expelled from the container when the container is squeezed. The liquid cleanser can be various body and bath soaps, such as bubble bath and shampoo. S&V coined the term "Gel Pak" to describe this product and sells it under the brand name *Bathing Beauties*®, and through its Sinclair & Valentine division under the brand name *Good Clean Fun*® and *Bubblicious*®. This product introduced to the specialty bath market the concept of packaging a liquid bath soap/shampoo/related cleanser inside a resealable flexible container. Due to the ability of the flexible container to take many shapes, the variety of packaging designs is very great. This feature, along with its re-sealability capability due to the valve has made this product very desirable.
4. S&V first introduced the Gel Pak product in January, 2002 as a specialty bath product. This product did not replace an existing product, nor was it a modification of an existing product. Further, this product is a stand-alone product. It does not rely upon

any additional product, device or system to operate. Moreover, it is not a part of a larger product or system.


5. S&V has sold the Gel Pak product to many different companies, including Wal-Mart, Target, Bed Bath & Beyond, K-Mart, Albertsons, The Gap, Costco, Eckerd Drug, Cracker Barrel and many independent gift retailers.
6. The sales data, in form of units sold, wholesale dollars and estimated retail dollars, for the Gel Pak product from the its introduction in 2002 until August, 2006 is set forth in Exhibit 1 attached hereto.
7. S&V has been in the specialty bath product business since 1979. Over that period of time, many items have been introduced. S&V has in recent years established two new categories of products. In the late 1990's, S&V first introduced products in the area of effervesants. These products currently make up over 50% of S&V's total revenue. The second new category is the Gel Pak product.
8. Once a new product category is established, competition can develop rapidly. As set out in the Executive Summary of the Soap, Bath and Shower Products, US, August 2006 Market Report produced by Global Information, Inc. (a copy is attached as Exhibit 4), competition in the soap, bath and shower products area is high, which keeps

prices limited. Moreover, increase of sales is limited to only what can be taken away from competitors.

9. When S&V introduces a new product into the gift market segment, it is introduced by placing it within our product catalogue. It is offered for sale through sale at trade shows and individual sales calls. Further, it is distributed to our Sales Reps showrooms. From time to time, it may be advertized in gift industry publications. When the product is introduced into the mass market segment, individual product sell sheets are created. These sell sheets include product facts, features and benefits, and are used to present the product to customers by our sales rep organization or through direct contact by our company. When the product is introduced into the private label segment, direct sales contact is made based on anticipated customer need or requests.
10. With respect to the marketing and advertizement of the Gel Pak products, as described by the above identified patent application, S&V introduces such in the same manner as the other S&V products, as set out above.
11. Prior to the introduction of the Gel Pak product, I am not aware of any competitor who sold Gel Pak-type products, that is, a two-piece flexible container with a valve that contains and dispenses liquid soaps and cleansers, such as bubble bath and shampoo.

12. Upon the introduction of the Gel Pak to the market, multiple competitors started to copy the Gel Pak product. See Exhibit 3 showing various competitors selling two-piece flexible containers that contain and dispense liquid soaps and cleansers, such as bubble bath and shampoo.
13. Additionally, after the introduction of the S&V Gel Pak, some S&V customers first purchased the S&V Gel Pak products but then stopped purchasing the S&V Gel Pak and started selling other "gel pak" type of products.
14. The S&V Gel Pak, sold under the *Good Clean Fun*® trademark, was awarded the *Teen People* magazine's Trendspotter Hot Pick Award Winner for Hottest Packaging, i.e. the two-piece flexible container with a valve that contains and dispenses liquid soaps and cleansers, such as bubble bath and shampoo, during the 2004 National Association of Chain Drug Stores tradeshow. See Exhibit 2 attached hereto. The award recognizes the innovated packaging concept set out in the above-captioned patent application.

FURTHER DECLARANT SAYETH NOT.

  
Jeffery K. Slaboden, Vice President  
Smith & Vandiver, Corporation

**Smith & Vandiver Corporation****Gel Pak Sales**

	UNITS	WHOLESALE \$	EST. RETAIL \$
2002	570,000	994,427	1,529,887
2003	996,721	1,495,382	2,300,587
2004	637,755	1,020,049	1,569,306
2005	438,900	701,927	1,079,888
2006 JAN-AUG	389,990	433,067	787,395
	3,033,366	4,644,852	7,267,063

**You've been HOT PICKED!**

Several "Teen People" Trendspotters named the PACOS hair cream their "HOT PICK" and were awarded a \$500 cash prize. The "HOT PICK" is the most popular product in the "HOT PICK" List.

The "Teen People" Trendspotters are an exclusive community of over 10,000 teens who have the right of "HOT PICK" to try new things, help decide on "HOT PICK" and see their names listed in each issue of the magazine.

To hear more about "Teen People" Trendspotters, please call 1-800-855-5555. Or write to: "HOT PICK" Trendspotters, P.O. Box 1000, New York, NY 10001.

**HOT PICK TRAIL:**  
 "HOT PICK" Trendspotters, P.O. Box 1000, New York, NY 10001.

**HOT PICK FAVORITE CATEGORY:**  
 "HOT PICK" Trendspotters, P.O. Box 1000, New York, NY 10001.

For more information about the "Teen People" Trendspotters, please call "HOT PICK" Trendspotters, P.O. Box 1000, New York, NY 10001.

**PRODUCT NAME:**  
*Good Clean Fun*



2000  
 Teen People  
 Trendspotters  
 Hot Pick Award  
 Winner

# Teen People

WHAT'S NOW • WHAT'S NEXT • WHAT MATTERS



**And the winner is...**



And the winner is...

**Hottest Packaging**

*Good Clean Fun*

# Body Feeling for Kids

96 -EXH 3



BKF-11  
(65g)



BKF-05  
(70g)



BKF-12  
(65g)



BKF-14  
(100g)



BKF-15  
(220g)



BKF-17  
(150g)



BKF-18  
(80g)



BKF-16  
(75g)



BKF-21  
(85g)



BKF-19  
(70g)



BKF-20  
(110g)



Ladycare®



Ladycare Amenities Mfg. Co. Ltd.

Head Office: 2207-11, Telford House, 16 Wang Hai Road,

Kowloon Bay, Kowloon, Hong Kong

Tel: (852) 2790-8108 Fax: (852) 2707-9882

Factory: GuangDong, China

Website: www.ladycare.com Email: ladycare@ladycare.com

\* Any custom designs are welcomed.

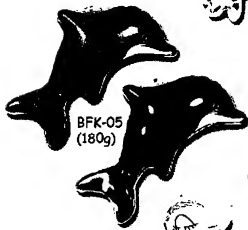


DNV

2004/05/11



# Body Feeling for Ki



# Ladycare®

~ Fulfilling customers' every needs, with the best price, service and quality ~

Ladycare, our company is a leading manufacturer and exporter specialized in extensive range of **Gifts & Premium, Hotel Amenities and Airline Supplies** in Hong Kong for over 20 years.



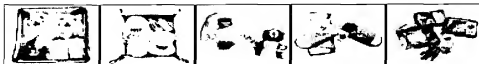
Contemporary Collections

With our experienced and professional production team, we operate three manufacturing sites, including a **plastic factory**, a **sewing factory** and a **cosmetic factory** in Guangdong, China. We provide **ONE-STOP** service and are fully vertically integrated from raw material procurement to final decorative packaging, we can confidently control over the price and quality of all our products. With an excellence in manufacturing, our company was awarded the ISO 9002 Certificate in 1998.



Food Collections

Kindly "CLICK" our gift sets for your kind consideration; **whereas, individual item** such as tubes, bottles, soap, fizzer etc are also welcomed. Please feel free to contact us if you are interested in any other items. We are happy to serve you at any time.



Kids Collections

We look forward to hearing from you soon.

Libra Wong

Yours faithfully,

Ladycare Amenities Mfg. Co., Ltd.





Website: [www.ladycare.com](http://www.ladycare.com)

Re: Body Feeling For Kids \*\* fill with bath gel

Item No.	Description	FOBHK Unit price	Packing
BFK-01	180gm bath gel in butterfly shaped PVC pouch	USD0.38/pc	48pcs 0.052cbm
BFK-02	180gm bath gel in sun flower shaped PVC pouch	USD0.38/pc	48pcs 0.052cbm
BFK-03	180gm bath gel in flower shaped PVC pouch	USD0.38/pc	48pcs 0.052cbm
BFK-04	180gm bath gel in tree shaped PVC pouch	USD0.38/pc	48pcs 0.052cbm
BFK-05	180gm bath gel in dolphin shaped PVC pouch	USD0.38/pc	48pcs 0.052cbm
BFK-06	70gm bath gel in dolphin shaped PVC pouch	USD0.193/pc	48pcs 0.052cbm
BFK-07	180gm bath gel in frog shaped PVC pouch	USD0.38/pc	48pcs 0.052cbm
BFK-08	180gm bath gel in chicken shaped PVC pouch	USD0.38/pc	48pcs 0.052cbm
BFK-09	145gm bath gel in snow shaped PVC pouch	USD0.34/pc	48pcs 0.052cbm
BFK-10	170gm bath gel in bear shaped PVC pouch	USD0.365/pc	48pcs 0.052cbm
BFK-11	200gm bath gel in whale shaped PVC pouch	USD0.40/pc	48pcs 0.052cbm
BFK-12	65gm bath gel in ladybud shaped PVC pouch	USD0.185/pc	
BFK-13	65gm bath gel in fish shaped PVC pouch	USD0.185/pc	
BFK-14	90gm bath gel in chicken shaped PVC pouch	USD0.22/pc	
BFK-15	100gm bath gel in duck shaped PVC pouch	USD0.23/pc	
BFK-16	220gm bath gel in bear shaped PVC pouch	USD0.43/pc	
BFK-17	75gm bath gel in frog shaped PVC pouch	USD0.20/pc	
BFK-18	150gm bath gel in squirrel shaped PVC pouch	USD0.34/pc	
BFK-19	80gm bath gel in rabbit shaped PVC pouch	USD0.21/pc	
BFK-20	70gm bath gel in small squirrel shaped PVC pouch	USD0.193/pc	
BFK-21	110gm bath gel in cat shaped PVC pouch	USD0.29/pc	
BFK-22	85gm bath gel in dog shaped PVC pouch	USD0.215/pc	
BFK-23	170gm bath gel in cat shaped PVC bottle	USD0.47/pc	36/72pcs 0.042cbm
BFK-24	160gm bath gel in dog shaped PVC bottle	USD0.45/pc	
	170gm bath gel in bear shaped PVC pouch	USD0.47/pc	

Order qty : 110,000pcs/style

**Out of the Blue (Hong Kong) Limited**  
Unit 1401-02, 14/F., Shiu Lam Building, 23 Luard Road, Wanchai, Hong Kong.  
Tel: 852 2904 3822 Fax: 852 2904 2229 Email: sales@ootb.com.hk

Item No	Description	Product Image	Price	FOB
10/4820	Heart Bath Fizzer 8g x 15pcs Packing: Each set in Textile bag 36 bags per display 144bags per master carton Meas: 57.5x40x9cm		USD0.51/set	HongKong
10/4821	Ball Bath Fizzer in white organza bag 25pcs per bag Packing: Each bag with hangtag 24bags per display 144bags per master carton color: assortment: blue, Green, Yellow, Purple and orange Meas: 57.5x27x9cm		USD0.60/set	HongKong
99/5018	Shower Gel - Santa Claus, 180ml Packing: 12pcs per display tray 48pcs per master carton Meas: 48.5 x 28.6 x 27.3cm		USD0.46/pc	Yantian
10/5167	Bath Oil, Duck, Yellow Lemon Scent Packing: 200pcs per drum 1,600pcs per master carton Meas: 34 x 28.2 x 40cm		USD18.85/drum	Yantian

Remark Net Price

Payment By T/T 30% Deposit + Balance 7 days before shipment

Delivery 45-60 days after order confirmation

Packing Price are based on our standard packaging

# TRENDS

"Easter Bunny"  
Coin Purse



Bath  
Gels



Funky Feather  
Fun Pen



Piggy  
Lipgloss

Extra Soft & Cushy



Boba  
Pillow

## TOYS

Light-Up  
High Bounce  
Ball



Sidewalk  
Chalk  
Paint Brush



9 Gram  
Clay Chip

Texas  
Hold 'Em



ing Tea Pot



Electronic Guitar

## DIE-CAST

Beetle™ Cabrio



Custom Chopper

Mako Shark  
Corvette



Muscle Machin  
69 Chevy Camaro

† These Showrooms/Shows:

Atlanta Gift Mart #1700  
Dallas Gift Mart #1949  
Billerica #310  
Seattle Gift Mart #251  
N.Y. Gift Show #1263-1283  
Overland Park (KC) #421  
Alaska Trade Center #103

Magic Show ..... Las Vegas (C. MARE / E.J. ENT)  
JJ Assoc. .... Columbus Mart #110  
Gift Street Inc. .... Minnesota Gift Mart #8-149  
Marketplace .... Chicago Merchant Mart #13-140  
Lori Minden & Assoc. .... San Francisco Show #2740  
Terry Moore & Assoc. .... Denver Merch. Mart #1211-1221  
Sales Connection .... Oasis Show #2722-2731  
E.J. Joe Salem .... Los Angeles Gift Show #1817-1821

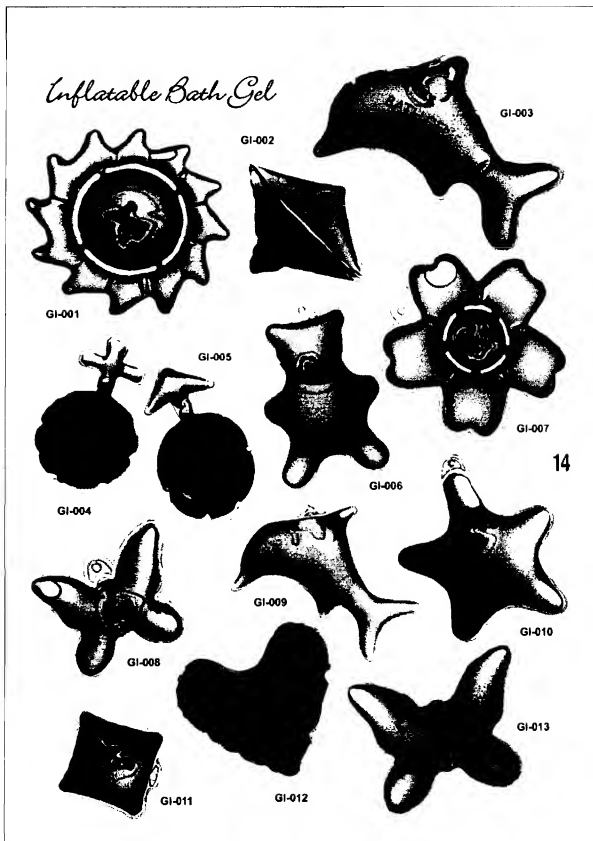
P.O. Box 90790  
City of Industry, CA 91715  
PH: (626) 923-1913 • (800) 279-8065  
FAX: (626) 369-1234

[www.ej-enterprises.com](http://www.ej-enterprises.com)  
For More Information Circle No. 109



# 2005 New Product





## BATH &amp; SHOWER GEL



**DD-0E001a**  
55ml/1.9oz  
30 pcs/drum, 180 pcs/ctn  
CBM 0.0372



**DD-0E002**  
55ml/1.9oz  
30 pcs/drum, 180 pcs/ctn  
CBM 0.0372



**DD-0E003**  
45ml/1.6oz  
30 pcs/drum, 180 pcs/ctn  
CBM 0.0372



**DD-0E004**  
45ml/1.6oz  
30 pcs/drum, 180 pcs/ctn  
CBM 0.0372



**DD-0E005**  
50ml/1.8oz  
30 pcs/drum, 180 pcs/ctn  
CBM 0.0372



**DD-0E005**  
55ml/1.9oz  
30 pcs/drum, 180 pcs/ctn  
CBM 0.0372

TD-S005



**TD-S005**  
55ml/1.9oz  
30 pcs/drum, 180 pcs/ctn  
CBM 0.0372



**DD-0E007**  
60ml/2.1oz  
30 pcs/drum, 180 pcs/ctn  
CBM 0.0372



**DD-0E008**  
60ml/2.1oz  
30 pcs/drum, 180 pcs/ctn  
CBM 0.0372



**DD-0E009**  
50ml/1.8oz  
30 pcs/drum, 180 pcs/ctn  
CBM 0.0372



**DD-0E010**  
55ml/1.9oz  
30 pcs/drum, 180 pcs/ctn  
CBM 0.0372



**DD-0E011**  
40ml/1.4oz  
30 pcs/drum, 180 pcs/ctn  
CBM 0.0372



**DD-0E012**  
30ml/1.1oz  
30 pcs/drum, 180 pcs/ctn  
CBM 0.0372



**DD-0E013**  
50ml/1.9oz  
30 pcs/drum, 180 pcs/ctn  
CBM 0.0372



**DD-0E014**  
40ml/1.4oz  
30 pcs/drum, 180 pcs/ctn  
CBM 0.0372



**DD-0E015**  
55ml/1.9oz  
30 pcs/drum, 180 pcs/ctn  
CBM 0.0372



**DD-0E016**  
30ml/1.1oz  
30 pcs/drum, 180 pcs/ctn  
CBM 0.0372



**DD-0E017**  
35ml/1.2oz  
30 pcs/drum, 180 pcs/ctn  
CBM 0.0372



**DD-0E018**  
45ml/1.6oz  
30 pcs/drum, 180 pcs/ctn  
CBM 0.0372



**DD-0E020**  
45ml/1.6oz  
30 pcs/drum, 180 pcs/ctn  
CBM 0.0372



美益富有限公司  
TRUMP ELEGANT INDUSTRIAL LIMITED (香港)  
深圳市美益富浴用品有限公司  
SHENZHEN TRUMP ELEGANT  
BATH & GIFT WARES COMPANY LIMITED

办公室地址: 深圳市福田区振华一路44号深南中心商务大厦801室  
Add: Room 801, 8/F, Shenzhen Central Business Building, No. 44  
Feng Yulu/Futian District, Shenzhen, China. Phone: 13823390096  
Tel: 86-755-82031708 33348138 33348138 Mobile: 13823390096  
Fax: 86-755-82031708 Pemail: 818028  
Email: www@szsd-oem.com zhi@szsd-oem.com Http://www.szsd-oem.com

工厂地址: 深圳市龙岗区龙城龙西村玉南1号厂房  
Factory add: No. 1 Factory Building, Yu Hu Qing Shi Road, Long  
Ling Chang Town, Long Gang District, Shenzhen  
Tel: 86-755-84879901 Fax: 86-755-84879992 Post



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## Executive Summary

### Soap, bath and shower products, by the numbers

The FDM market for soap, bath and shower products in 2006 is estimated at \$1,634 million. This represents a 4% gain over 2004, but a 6% decline over the entire period from 2001. Sales of such products through natural food stores are estimated to add another \$69 million to the market, representing a gain of 30% since 2003. Mintel estimates that Wal-Mart will account for sales of \$549 million in 2006.

### Competition driving major efforts to differentiate

Pretty much everyone uses some sort of soap product to wash their hands and shower/bathe. This tends to keep competition high and limits price increases. Unless manufacturers can find a way to encourage consumers to wash their hands and bodies more often or pay more for specialty versions, sales gains are limited to what can be taken away from the competition.

Manufacturers' efforts to increase sales currently focus around differentiation, or specialization. Brands are splintering from a few, more general, lines into many lines with specific positioning: masculine, feminine, kids, and with specific functional ingredients. Categories overlap, as well, e.g., men's spa, kids' natural, luxury botanical, etc.

#### More for men

Although most soap, bath and shower products are still aimed at, and bought by, women, male-oriented products continue to grow. Manufacturers have been introducing additional lines aimed specifically at men, particularly in the second half of the 2001-06 period. Major companies like Unilever (AXE, Suave For Men), Colgate-Palmolive (Softsoap For Men) and Procter & Gamble (Old Spice Red Zone/High Endurance, Gillette Complete Skincare) are all busy adding new brands or expanding existing ones into the men's bath/shower area. Non-FDM manufacturers are developing male soap, bath and shower products as well, including cosmetics and skincare specialty companies which sell their products through department and specialty stores, and salons/spas.

#### Magical botanical

The use of botanical ingredients has been a major trend throughout the 2001-06 period and will continue to be so. Natural or natural-sounding soap, bath and shower products encompass a number of consumer product desires. Botanical-based products seem healthier, more exotic, more spa-like, perhaps even more environment-friendly. Specific botanicals may promise specific results, from moisturizing to skin toning to aromatherapy benefits.